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Deficiency Analysis

What is Deficiency Analysis?

Deficiency analysis is the isolation of the weak points, the “Achilles Heel” within an organisation.

In the context of a SWOT Analysis, it is a critical but unbiased identification of the Weaknesses of the organisation, for the sole purpose of isolating controllable variables that are interrupting the flow of growth, profit, sales, morale, goodwill, or any other sought after improvement that the organisation wishes to pursue.

How does Deficiency Analysis happen?

The agenda can be open or secret - whichever is best for smooth operational continuity.

Stage One

Assessment

A senior, multi-talented consultant works on site- adopting the identity of a marketing planning consultant. He/she works with the senior executive team of the division concerned, determining the plan or action, conducting the stage one, top-line analysis, and reporting it to authorised executives once the top-line analysis is done.

Recommendations are then submitted for the best course of action (if any) and execution of Stage Two of Deficiency Analysis.



Stage Two

Overhaul

Authorised executives of the client organisation and the same senior consultant, develop an action program which can be either...

- a) Internally driven by the client's chosen delegates
- b) Externally performed by consultants selected on their specialised areas of expertise which usually are those areas identified as deficient within the organisation in question.

Evaluation of Stage Two comes in the form of mutually agreed measures of success such as percentage increase in productivity, growth in sales and/or profit, or reduction of staff turnover.

Stage Three

Fine-tune

Subject to success, Deficiency Analysis catharsis can be an ongoing control mechanism and tool for constant, ongoing efficiency refinement.

What are the benefits of Deficiency Analysis?

Identification of Deficiencies can save a company from a plethora of tragedies. Some of the benefits include saved market share, saved profit, extra growth, reduced staff turnover, improved staff moral, greater sales, better public image.





What is the cost of Deficiency Analysis?

In crude terms, a top-line Deficiency evaluation can take anywhere between three and twelve weeks, depending on the size of the organisation.

During this time it is expected that one or two deficiencies will be recognised, addressed and solved, and often this process amortises the cost of the analysis.

Our experience is that clients usually gain financially on a Stage one analysis.

What is the cost of not having regular Deficiency Analysis?

The more established, the older, the longer the operational level of management has worked for the organisation, the more habits, culture and routines exist.

It is absolutely normal, and consistent within any organisation to develop inefficiencies of scale, where there should only be economies of scale.

The cost of not having Deficiency Analysis is high, the longer you go without it the higher the opportunity cost to the organisation. The ultimate cost is when a formerly profitable organisation becomes a loss business and is forced to close its doors... far more than the few thousand dollars that a Deficiency Analysis would cost the company.



Who needs Deficiency Analysis?

All companies have deficiencies. The larger, the more formal the structure, the greater is the need for regular deficiency analysis.

Recommendation

Deficiency analysis should take place every three years in organisations that are operating at less than impressive levels. Even seemingly successful organisations can be unwittingly walking into the over-confidence trap, by not checking their back yards for weeds.

How do we go about Deficiency Analysis?

The key elements of Deficiency Analysis are...

Discretion: No one ever knows the secret agenda of the consulting analyst except for those told by the authorised executive of the client/.

Cost Effectiveness: The cost savings usually exceed the cost of the analysis

External Appraisal: Looking from the outside in the organisation gets a balanced and educated appraisal without issue of politics, propaganda or self interest.

Objectivity: Because of exceptional breadth of experience and as there is no political or personal agenda in the assessment of the organisational unit, the findings are much more reliable than an internal unit may be able to present.